

Assembly Bill No. 278

Passed the Assembly August 29, 2014

Chief Clerk of the Assembly

Passed the Senate August 29, 2014

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2014, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 38566 to the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 278, Gatto. California Global Warming Solutions Act of 2006: Low Carbon Fuel Standard.

The California Global Warming Solutions Act of 2006, establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt a statewide greenhouse gas emissions limit, as defined, to be achieved by 2020, equivalent to the statewide greenhouse gas emissions levels in 1990. The state board is additionally required to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions. Pursuant to the act, the state board has adopted the Low Carbon Fuel Standard regulations.

This bill would require the state board, in promulgating regulations or other policies for purposes of the carbon intensity of fuels, to consider specified sustainability factors and the state of the fuel market and technologies. The bill would require the state board, no later than December 2015, to include mechanisms and policies that favor low-carbon fuels with the highest possible sustainability based on specified factors and to provide incentives for sustainable fuels produced without food stock or the displacement of food crops.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The Legislature adopted the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) to reduce greenhouse gas emissions and combat the serious threat that those emissions pose to the economic well-being, air quality, public health, natural

resources, and environment of the state. With a goal of reducing the carbon of the state's transportation fuels by 10 percent by 2020, the Low Carbon Fuel Standard regulations can be an important element of this policy.

(b) It is the intent of the Legislature to promote the implementation of the Low Carbon Fuel Standard regulations and to ensure the State Air Resources Board maximizes the use of low-carbon, sustainable fuels with a focus on fuels produced without food stock.

SEC. 2. Section 38566 is added to the Health and Safety Code, to read:

38566. (a) When promulgating regulations or other policies on the carbon intensity of fuels, the state board shall do all of the following:

(1) Consider all of the following sustainability factors:

(A) The full life-cycle carbon emissions from the production of a fuel.

(B) The positive or negative effect of a fuel source on the global food supply, as determined by the state board, including, but not limited to, crop displacement, food prices, food shipping, and market conditions.

(C) The direct and indirect land use changes resulting from fuel production.

(2) Consider the state of the fuel market and technologies.

(b) No later than December 2015, the state board shall include mechanisms and policies that favor low-carbon fuels with the highest possible sustainability based on the factors listed in subdivision (a) and shall provide incentives for sustainable fuels produced without food stock or the displacement of food crops.

Approved _____, 2014

Governor